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LEGISLATIVE DIGEST
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H.R. 3528 - To provide authority to the Peace Corps to provide separation pay for host country resident personal services contractors of the Peace Corps

Floor Situation

H.R. 3528 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Rep. Tom Lantos (D-CA) on September 14, 2007. It was referred to the House Committee on Foreign Affairs, but never considered.

H.R. 3528 is expected to be considered on the floor on September 17, 2007.

Background

To conduct some of its overseas operations, the Peace Corps hires personal service contractors (PSCs). Under foreign law and the terms of their contracts, the Peace Corps is frequently required to make separation payments to those contractors, such as a separation payment based on years of service. Even though those payments are not made until the end of a PSC's service (which can be many years), the Peace Corps is required to account for that accrued liability every year.

After five years, however, unspent Peace Corps funds revert back to the U.S. Treasury. Because Peace Corps does not have a way to set aside the funds for separation payments to long-term contractors, it has to pay for obligations accrued beyond that five-year window out of its current operating funds. This is difficult to plan and budget for, because the cost to Peace Corps in any given year depends on how many PSCs decide to retire.

Summary

H.R. 3528 would establish a fund within the Treasury specifically for the Peace Corps to set aside the funds to cover its PSC separation payment liabilities without fiscal year limitations.

Cost

There is currently no Congressional Budget Office (CBO) estimate for H.R. 3528.

Note: H.R. 3528 does not affect direct spending or obligations. Therefore, no budget impact is anticipated.

Staff Contact

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